

SETTLEMENT AGREEMENT

AND

MUTUAL RELEASE

September 2 SM
This Agreement is entered into as of ~~August 31~~, 2009, between the County of Los Angeles ("County"), a governmental entity under the laws of California, and Charles R. Drew University of Medicine and Science ("CDU"), a private non-profit educational institution.

RECITALS

WHEREAS, on or about June 25, 1991, CDU entered into the first of a series of agreements under which CDU provided physician services and supervised physician trainees at the County's Martin Luther King Jr./Charles R. Drew University Medical Center ("Hospital");

WHEREAS, on or about September 14, 2004, the County entered into the most recent agreement (Contract No. 75086) with CDU for the provision of physician services and supervision of physician trainees at the Hospital ("Affiliation Agreement");

WHEREAS, on or about June 20, 2006, the County and CDU entered into Amendment No. 1 to the Affiliation Agreement to extend the term of the Affiliation Agreement, effective June 1, 2006, to July 31, 2007;

WHEREAS, on or about April 23, 2007, CDU filed in the Superior Court for the State of California (Los Angeles Superior Court Case No. TC 020 609) a Complaint for Breach of Written Contract, among other causes of action, with respect to the Affiliation Agreement against the County and, on or about March 7, 2008, CDU filed its Third Amended Complaint for

Breach of Written Contract, and Breach of the Implied Covenant of Good Faith and Fair Dealing against the County ("Affiliation Agreement Claim");

WHEREAS, on or about April 7, 2008, the County filed a Cross-Complaint against CDU in Los Angeles Superior Court Case No. TC 020 609 ("County Claim") (together with the Affiliation Agreement Claim, the "Dispute");

WHEREAS, on or about April 7, 1987, the County entered into a tripartite agreement (Contract No. 56234) with CDU and the King-Drew Medical Foundation ("Foundation"), a non profit public benefit corporation organized under the laws of the State of California ("Tripartite Agreement") under which the Foundation would bill patients and other payors for the treatment of patients at the Hospital with the majority of revenue to be paid to CDU;

WHEREAS, on or about April 25, 2007, the Foundation filed in the Superior Court for the State of California (Case No. BC 36109) a Complaint for Breach of Contract with respect to the Tripartite Agreement against the County ("Foundation Case");

WHEREAS, on or about January 28., 2008, CDU filed in the Foundation Case a Complaint for Breach of Contract, among other causes of action, with respect to the Tripartite Agreement against the County ("Foundation Claim");

WHEREAS, County and CDU are parties to a separate written settlement agreement ("Salama Settlement") under which CDU owes County a remaining sum of \$700,000; and

IT IS NOW the desire and intention of the parties hereto to settle and resolve all actual and possible differences and disputes between them of any kind or nature relating to the Dispute and Foundation Claim, from the beginning of time through the present, without admitting any

liability, and desire to establish a mutually agreeable set of terms and conditions for CDU's use of certain County property and a schedule of payments therefor and for the Salama Settlement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the mutual promises contained in this Agreement, and subject to approval by the Los Angeles County Board of Supervisors, it is agreed between the County and CDU that:

AGREEMENT

1. Payment to County under Lease for Real Property: CDU will pay an amount of Four Thousand One Hundred Sixty-Six Dollars (\$4,166) on a monthly basis (\$50,000 per year) for a term of five (5) years under the terms of a Lease Agreement, attached hereto for reference as Exhibit A, for the use of (1) a 206 space parking lot located on Assessor Parcel Number 6149-028-908 for a term of eighteen (18) months, and (2) real property located on 1651 & 1653 120th Street, Los Angeles, California, on which currently exist modular buildings for a term of five (5) years, as specified in more detail under the Lease Agreement. CDU's monthly payments shall not be reduced after expiration of the eighteen (18) month term for use of the parking lot. The amount to be paid under this paragraph is Fifty Thousand Dollars (\$50,000) per year for a period of five (5) years for a total amount of Two Hundred Fifty Thousand Dollars (\$250,000).

2. Payment to the County for the Salama Settlement: The Parties understand and agree that they are parties to the Salama Settlement, with a total amount owed by CDU to County under this Agreement of One Million Dollars (\$1,000,000), of which an amount of Seven Hundred Thousand Dollars (\$700,000) remains unpaid and outstanding. While the Salama Settlement provides for payments in accordance with an annual schedule, as part of the consideration for this comprehensive Settlement Agreement, County and CDU agree to modify

the Salama Settlement payment schedule as follows: CDU shall pay the outstanding amount of \$700,000 to the County by paying an amount of Eight Thousand, Three Hundred Thirty-Three Dollars (\$8,333) on a monthly basis for a term of eighty four months, i.e., seven years, except that on the 84th month CDU shall pay an amount of Eight Thousand Three Hundred Sixty-One Dollars (\$8,361).

3. Use of County Space by CDU with the University of California: The parties agree that the following space uses by CDU are part of the overall consideration for this comprehensive Settlement Agreement and will, accordingly, be free of any additional charge and, further, agree that these uses will be otherwise governed by the terms of the Lease, Exhibit A hereto. The following uses will be immediately implemented upon execution of this Settlement Agreement and the Lease, but are expressly subject to subsequent approval by the University of California ("UC") and any agreement the County will enter into with the UC:

- a. CDU to relocate, by October 1, 2009, the Lillian Mobley Clinical Trials Unit (currently situated on the second floor of the Augustus F. Hawkins Building) to Ward 4-A in the Hospital to be determined by the Parties for a one (1) year period;
- b. CDU to relocate, by October 1, 2009, such other space occupied by CDU on the second floor of the Augustus F. Hawkins Building (approximately 4,000 square feet) to another County premises to be determined by the Parties, for a period of two (2) years;
- c. CDU to continue to occupy the vivarium space on the third floor of the Augustus F. Hawkins Building for a period of five (5) years, with an option upon mutual agreement in writing to extend for an additional five (5) year period, subject to approval by the UC. The County will give CDU at least twelve (12) months advance written notice to vacate if

the County intends not to renew the use of the vivarium space for the additional five (5) year period; and

d. CDU to continue to occupy the space in the Interns and Residents Building (approximately 4,000 square feet) for a period of two (2) years.

4. Schedule of Payments and Effect of Delinquent Payments: Payment under Paragraphs 1 & 2 of this Agreement shall be due on the first day of each month. CDU will be allowed a thirty (30) calendar day grace period before any such payment is considered delinquent. Should CDU fail to make timely payment within such grace period, the payment(s) shall be deemed delinquent and a thirty (30) day cure period shall immediately commence. CDU shall cure such delinquency by making the payment(s) within such cure period. During the cure period, CDU shall continue to make all other payments required under this Agreement. If CDU continues to pay all other amounts due and cure the delinquent payment(s) within the thirty (30) day cure period, no default shall be charged against CDU.

In the event CDU fails to cure a delinquent payment within the thirty (30) day cure period, CDU will be deemed in default and the County will have the option to terminate the Lease for the parking lot, property underlying the modular buildings, vivarium space and any other County-owned premises/property, whether or not included under the Lease, and to retake possession of such premises/properties. Upon written notice by the County under this paragraph, CDU will vacate the premises/properties within sixty (60) calendar days. Any and all delinquent payments and all payments as required under this Agreement shall remain due and owing, with payment to the County of a 5% interest per annum applicable to any delinquent amount, which shall survive the termination of this Agreement. The remaining balance of the Salama Settlement shall become due and owing, which shall survive the termination of this Agreement.

The Parties understand and acknowledge that the County shall have the right to terminate the Lease and retake possession of County premises/properties as set forth under this Paragraph if CDU is in default of either or both payment(s) as set forth under Paragraphs 1 & 2 above.

5. Dismissal of Claims:

a. Within seven (7) calendar days of execution of this Agreement, CDU shall dismiss with prejudice the Affiliation Agreement Claim and Foundation Claim, with written notice to County confirming such dismissal provided to County within three (3) calendar days of such dismissal.

b. Within seven (7) calendar days of execution of this Agreement, the County shall dismiss with prejudice the County Claim, with written notice to CDU confirming such dismissal provided to CDU within three (3) calendar days of such dismissal.

6. Mutual General Release: The Parties hereby release and forever discharge each other, and each of their past and present predecessors, successors, affiliates, subsidiaries, parents, insurers, elected officials, officers, directors, employees, heirs, assigns, agents, and attorneys from any and all known and unknown claims, disputes, demands, debts, liabilities, obligations, contracts, agreements, causes of action, suits, attorney's fees and costs, of whatever nature, character or description, which the Parties had, now have, or may have related to the Dispute and the Foundation Case (as between the County and CDU), and/or any of the matters which arise out of, from, asserted in, or which could have been asserted in connection with the Dispute and the Foundation Case.

7. Waiver of Claims: Except as otherwise provided in this Agreement, the Parties agree that this Agreement shall act as a release of any and all claims that may arise from conduct

prior to the date of this Agreement in connection with the Dispute and the Foundation Case (as between the County and CDU) whether such claims are known, unknown, foreseen, or unforeseen, liquidated or unliquidated, choate or inchoate, notwithstanding Section 1542 of the California Civil Code which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH
THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS
OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE,
WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY
AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

8. Resolution of the Foundation Case: CDU will take good faith steps to cause the Foundation to dismiss with prejudice its claim against the County in the Foundation Case, simultaneously upon which the County will with prejudice its claim against the Foundation.

9. No Admission. The Parties' execution of this Agreement is not an admission of any liability, fault or responsibility on the part of any released party. Any settlement made pursuant to this Agreement is regarded by the Parties hereto as payment to avoid the expense, inconvenience and uncertainty of litigation.

10. Meet and Confer Process: The Parties agree to the following, before acting upon any belief that the other has breached any of its commitments under this Settlement Agreement, and before any judicial proceedings are pursued: to provide the other party with written notice of such belief and intention, after which the Parties agree to meet in person through authorized representatives in order to determine whether a mutually acceptable resolution of the dispute can be reached. Attorneys' fees and costs of such efforts shall be assumed by the Parties. However, the Parties expressly agree that this process does not in any way affect the obligations and time

lines set forth in Paragraph 4, above, or any of the obligations or time lines in the Lease Agreement. Because of these time considerations, the parties understand and agree that time is of the essence with respect to notice and the scheduling of meetings under this provision.

11. Attorney's Fees and Costs: The Parties shall bear their own attorney's fees and costs in connection with this Agreement. However, if any future action is commenced to enforce the provisions of this Agreement or for breach of this Agreement, or if this Agreement is asserted as a defense to any action, the Parties hereby agree that the prevailing party in any such action shall be entitled, in addition to any other remedies, to an award of reasonable attorney's fees and costs.

12. Survival: This Agreement and the terms set forth herein shall survive the expiration or other termination of the Lease and any other agreement or other arrangement for the lease or use/occupancy by CDU of County property as set forth under Paragraphs 1 & 3.

13. Consultation with Counsel: The Parties acknowledge that they have been represented by counsel of their own choice in the negotiations leading to their execution of this Agreement, and that they have read this Agreement and have had it fully explained to them by their counsel.

14. No Reliance: The Parties represent and warrant that, in executing and entering into this Agreement, they are not relying and have not relied upon any representation, promise or statement made by anyone which is not recited, contained or embodied in this Agreement. Further, each of the Parties to this Agreement has received independent legal advice, or has had the opportunity to receive independent legal advice, from such Party's respective attorneys with respect to the advisability of executing this Agreement. The Parties are entering into this Agreement wholly of their own free will and volition.

15. Entire Agreement: This Agreement and the Lease comprise and contain the entire agreement between the Parties respecting the matters set forth in this Agreement, and supersede and replace all prior negotiations, proposed agreements, and agreements between the Parties, written or oral, EXCEPT the Salama Settlement. Neither Party has made any statement, representation, or promise, other than as expressly set forth herein, to any other party in entering into this Agreement, which has been relied upon by any other party entering into this Agreement.

16. Construction of this Agreement: The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party hereto. Both Parties have participated in drafting this Agreement. The Parties understand and expressly assume the risk that any fact not recited, contained or embodied herein may turn out hereafter to be other than, different from, or contrary to the facts now known to them or believed by them to be true. Nevertheless, the Parties intend by this Agreement, and with the advice of their own, independently selected counsel, to release finally, fully and forever, all matters released hereunder and agree that this Agreement shall be effective in all respects notwithstanding any such difference in facts, and shall not be subject to termination, modification or rescission by reason of any such difference in facts.

17. Severability: The provisions of this Agreement are severable, and if any part of it is found to be unenforceable, the other paragraphs shall remain in full force and effect. This Agreement shall survive the termination of any arrangements contained herein, including without limitation, expiration or other termination of the Lease.

18. No Waiver of Terms or Conditions: Failure to insist on compliance with any term or condition contained in this Agreement shall not be deemed a waiver of that term or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any

one or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

19. Authority of Signatories: Each of the persons executing this Agreement is empowered and authorized to do so on his, her, or its own principal's behalf, and no further consents or approvals are required, except the approval of the Los Angeles County Board of Supervisors.

20. Further Assurances: Each Party agrees to take such further actions and to execute such further documents, instruments and agreements as may be reasonably requested by the other Party to further confirm and effect the consummation of the transactions contemplated by this Agreement.

21. Choice of Law: This Agreement is executed and delivered within the State of California, and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with and governed by the laws of the State of California.

22. Modification and Amendment: This Agreement may not be modified or amended in any way, except in writing, and by following the same formalities and procedures utilized in this Agreement's original execution.

23. No Third Party Beneficiaries: There are no third party beneficiaries under this Agreement.

24. Counterparts: This Agreement may be signed in counterparts, and each counterpart so signed shall constitute a part of one valid original document.

25. Photocopies: A photocopy, PDF or other facsimile of this Agreement may be used as the original.

26. Section Descriptions: The use of headings in this Agreement is only for ease of reference and the headings have no effect and are not to be considered part or terms of this Agreement.

27. Notices: Any and all notices that are required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, certified or registered, return receipt requested and addressed as follows:

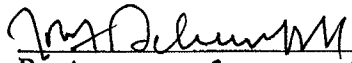
For County:	<u>DIRECTOR OF HEALTH SERVICES</u> <u>313 N. FIGUEROA ST #912</u> <u>LOS ANGELES CA 90012</u>
With a copy to:	County Counsel Kenneth Hahn Hall of Administration, Sixth Floor 500 West Temple Street Los Angeles, California 90012
For CDU:	<u>DR. KEITH NORRIS</u> <u>1731 E. 120TH STREET</u> <u>LOS ANGELES CA 90059</u>
With a copy to:	<u>BART H. WILLIAMS, Esq</u> <u>355 SOUTH GRAND AVE, STE 3500</u> <u>LOS ANGELES CA 90071</u>

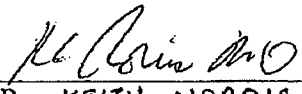
If personally delivered, such notice shall be deemed given upon delivery. If mailed in accordance with this Paragraph, such notice shall be deemed given as of the date indicated on the return receipt. Either party may change its address for notice purposes by giving prior written notice of such changes to the other party in accordance with this Paragraph.

**PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT AND GENERAL
RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.
EXECUTED THE DAY AND YEAR FIRST ABOVE WRITTEN.**

COUNTY OF LOS ANGELES

CHARLES R. DREW UNIVERSITY OF
MEDICINE AND SCIENCE

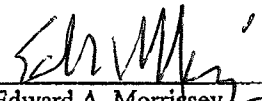

By: John F. Schunhoff


By: KEITH NORRIS, MD

APPROVED AS TO FORM AND CONTENT:

^{September 2}
Dated: August , 2009

OFFICE OF THE COUNTY COUNSEL

By: 
Edward A. Morrissey

^{Sept 2}
Dated: August , 2009

BAUTE & TIDUS, L.L.P.

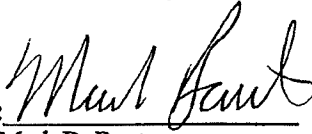
By: 
Mark D. Baute

EXHIBIT A

LEASE AGREEMENT

LEASE AGREEMENT

**DEPARTMENT OF HEALTH SERVICES
313 NORTH FIGUEROA BOULEVARD
LOS ANGELES, CALIFORNIA 90012**

ARTICLE 1

BASIC LEASE PROVISIONS

1.1 Date and Parties

2nd *John*
THIS LEASE AGREEMENT ("Lease") is made and entered into this 31st day of
September **August, 2009.**

By and between COUNTY OF LOS ANGELES, as landlord ("County"), a body corporate and politic organized under the laws of the State of California, and CHARLES R. DREW UNIVERSITY OF MEDICINE AND SCIENCE, a non-profit educational institution, as tenant ("Tenant").

1.2 Independent Contractor Status

This Lease is by and between the County and Tenant and is not intended, and will not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Tenant.

1.3 Prior Agreements

Except with respect to the Settlement Agreement and General Release executed by the Parties on August 31, 2009 ("Settlement Agreement"), and the terms contained therein, this Lease contains all of the agreements of the parties hereto with respect to the lease of the Premises as described in this Lease and no prior agreements between the parties, or understanding pertaining to the use of space at the Premises shall be effective for any purpose from and after the Commencement Date. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

ARTICLE 2

DESCRIPTION OF PREMISES

2.1 Description of Premises

The County, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Tenant, upon the following terms and conditions, hereby leases to the Tenant, and the Tenant hereby hires and takes of and from the County, those certain premises located in Los Angeles, California described as follows: certain modular structures (the "Buildings") containing a total of approximately 9,681 square feet of space, located on approximately 20,440 square feet of County land ("Premises A"); and, on a non-exclusive basis, the adjacent County parking lot containing approximately 206 spaces, for parking purposes, ("Premises B"), collectively ("Premises") both as depicted on Exhibit A attached hereto and incorporated herein by this reference. Tenant shall use and occupy the Premises as provided for in Article 5, Section 5.1 hereof.

2.2 Other Uses

Pursuant to the Settlement Agreement, County agrees to allow certain additional uses of County property ("Other Uses"), as referenced in Paragraph 3 of said Settlement Agreement. County and Tenant agree that these Other Uses require no additional consideration and are governed by both Paragraph 3 of the Settlement Agreement and this Lease. In the event of a conflict, the provisions of Paragraph 3 of the Settlement Agreement shall govern.

ARTICLE 3

TERM

3.1 Original Term and Commencement Date

The Term of this Lease for Premises A shall be for a period of five (5) years, with no options to extend the Term. The Term of this Lease for Premises B shall be for a period of eighteen months, with no options to extend the Term. Tenant and County shall execute a Memorandum of Lease Commencement in the form attached hereto as Exhibit B and incorporated herein by this reference to establish the actual date of Lease commencement (the "Commencement Date") and expiration. At the final expiration of the Lease, all capital improvements (with the determination of what qualifies as a capital improvement to be made by the County), including any completed by the Tenant, shall become the property of the County. Term provisions for the Other Uses are governed by Paragraph 3 of the Settlement Agreement. All of the above are subject to the provisions of this Lease, as well as Paragraph 4 of the Settlement Agreement, which is replicated in Article 11, Section 11.2, below.

3.2 Cancellation

Except as otherwise provided herein or in the Settlement Agreement, Tenant and County shall have no right to cancel this Lease at any time during the Term of the Lease other than by mutual consent.

3.3 Holdover

In case Tenant holds over beyond the end of the Term, such tenancy shall be from month-to-month only, subject to the provisions and conditions of this Lease, but shall not be a renewal or extension hereof. Either party may, during the holdover, cancel this Lease by giving the other party at least thirty (30) days' prior written notice.

ARTICLE 4

RENT

4.1 Rent

Tenant shall be obligated to pay rent in the amount of \$4,166.67 per month (\$50,000 per year) to the County so long as the Tenant uses the Premises A for five years. No reduction or diminution in rent will occur when the lease of Premises B terminates in eighteen months.

ARTICLE 5

USE

5.1 Use

Tenant is hereby granted permission to utilize the Premises on the terms set forth in this Lease unless earlier terminated as provided herein. Such use by Tenant shall be solely for the purpose of business and administrative offices for Tenant and parking, and the services provided shall be open to residents of incorporated and unincorporated areas of the County of Los Angeles (the "Leased Use"). There shall be no discrimination against or preference, gratuity, bonus or other benefit given to residents of incorporated areas not equally accorded to unincorporated territory of the County of Los Angeles.

Tenant shall notify the County's Chief Executive Office (CEO) prior to any significant change in the Leased Use, and obtain CEO's written approval thereof. It is expressly understood that Tenant's use of the Premises pursuant to the Lease does not constitute the conveyance by County to Tenant of any estate or interest in real or personal property (other than a leasehold estate). Tenant shall not use or pledge its leasehold interest in the Premises to obtain financing.

ARTICLE 6
DAMAGE OR DESTRUCTION

6.1 Termination of Lease

In the event the Premises or the Building is damaged by fire, incidents of war, earthquake, or other elements or by other disaster or casualty so as to render either the Building or the Premises reasonably unfit for Tenant's occupancy as reasonably determined by either County or Tenant, County or Tenant may immediately terminate this Lease by giving to the other party written notice of such termination, which notice shall be effective upon the delivery of such notice as prescribed in Article 14 hereof, whereupon Tenant shall surrender the Premises and shall not be obligated for any further consideration to the County. Notwithstanding the foregoing to the contrary, termination under this section shall not apply if the Premises are unfit for Tenant's occupancy/use due to Tenant's failure to provide maintenance.

6.2 Termination By County

In the event the Premises are damaged by earthquake, fire, the elements, or by other public disaster or casualty and the County reasonably determines that the Premises or any portion, should be demolished, County may terminate this Lease without further liability to Tenant by giving thirty (30) days' prior written notice of such termination to Tenant. This right to terminate the Lease is independent of any termination right contained in Section 6.1.

ARTICLE 7
TENANT'S FIXTURES

7.1 Tenant's Fixtures

Except as set forth in Article 3.1, tenant may remove, at its own expense, during or at the expiration of the Term or other termination of this Lease, all fixtures, equipment, furniture, and all other personal property (collectively, the "Equipment") placed or installed in or upon the Premises A by Tenant. Tenant agrees that, if so instructed by County, Tenant shall remove, at its own expense, at the expiration or early termination of the Term of this Lease, or any holdover period thereof, all Equipment placed or installed in or upon the Premises A by the Tenant. In the event Tenant removes any or all fixtures pursuant to this Section 7.1, Tenant shall restore the Premises A to the original condition which existed upon the Commencement Date, ordinary wear and tear excepted, unless restoration would be manifestly unreasonable in light of improvements made to the Basic Structure (as that term is defined hereinbelow) of the Premises A or Building, during the term of the Lease.

All Equipment which was not placed or installed in or upon the Premises by the Tenant, or replacements of Equipment placed or installed by the County prior to the Commencement Date, shall remain the property of the County during and after the term hereof. Tenant may remove said Equipment, at its own expense, only upon the prior written consent of the Chief Executive Office of County.

ARTICLE 8

REPAIR, MAINTENANCE, AND REPLACEMENT

8.1 County's Obligations

Tenant agrees to repair, maintain and replace, as necessary, at Tenant's own expense, the entire exterior and interior of the Premises including, the Building and the interior and exterior common areas, including but not limited to the Shared Use Space, restrooms, hallways, driveways and parking areas (the "Common Areas"). Such repair and maintenance obligations shall not include tenant improvements, any security and/or telecommunication systems installed for the Premises by Tenant, all fixtures, equipment, and other personal property owned by Tenant, or owned by any officer, agent, employee, contractor, licensee, or invitee of Tenant or otherwise placed or installed in, on, or upon the Premises by Tenant, and further excepting any damage resulting from the intentional acts or negligence of Tenant or its officers, agents, employees, contractors, or licensees. Tenant's responsibility shall include, but not be limited to, lamps and tubes, elevators, plumbing, fire sprinklers (if applicable), windows, fire extinguishers, and the Basic Structure. "Basic Structure" is agreed to include the Building and all appurtenances thereto in their totality, including but not limited to all permanent exterior and interior walls, floors and ceilings, roof, all interior and exterior drainage systems, concealed plumbing, stairways, elevators, concealed electrical systems, and heating, ventilating and air-conditioning system and fire sprinklers, if applicable.

8.2 Janitorial Services/Security

Tenant shall, at Tenant's expense, furnish and maintain trash removal on the Premises, together with all janitorial and other housekeeping services to the Premises. This Article 8.2 shall not apply to the Other Uses of Tenant.

8.3 Condition Of Premises Upon Termination

Tenant shall return Premises to County in as good condition as existed on the Commencement Date, ordinary wear and tear excepted.

ARTICLE 9 UTILITIES

9.1 Utilities

Tenant shall pay for all costs associated with the effluent treatment, water, sprinkler standby charges, electricity, gas, other lighting, heating, power and other utility rents and charges accruing in connection with the Premises Shared Use Space and Common Areas during the term of this Lease. Tenant shall comply with any applicable laws, ordinances, regulations, or policies with respect to the curtailment or conservation of energy or water. Tenant shall be responsible for the costs of any telephone and other telecommunications, data and/or Internet costs and installations on the Premises. Tenant shall be responsible for any costs associated with any security system(s) placed or installed in or upon the Premises A by Tenant. This Article 9.1 shall not apply to the Other Uses of the Tenant.

ARTICLE 10

ACCESS BY COUNTY

10.1 Access By County

Tenant agrees to permit the County or its authorized agents free access to the Premises A upon advance written, telephonic, or facsimile notice of forty-eight (48) hours, or sooner if Tenant agrees, for the purpose of inspection. Such advance notice shall not be required for the purpose of the County making emergency repairs; however, County will use its best efforts to notify Tenant as soon as possible in advance of entry. Notwithstanding the foregoing to the contrary, the Parties understand and agree that Tenant's use of the parking lot is on a non-exclusive basis, and, as a result, the County, including its officers, agents, employees, contractors, licensees and invitees, may access and use Premises B as it deems necessary.

ARTICLE 11

TERMINATION FOR DEFAULT

11.1 Default By County

If default shall be made by County in any of the covenants or agreements herein and such default constitutes a material breach of the Lease, Tenant may, at its sole discretion, terminate this Lease upon the giving of thirty (30) days written notice. In addition thereto, Tenant shall have such other rights or remedies as may be provided by law. Tenant may not terminate the Lease if (1) County cures the default within thirty (30) days after notice is given, or (2) the default cannot reasonably be cured within the thirty (30) days after notice is given, but County reasonably commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default to completion.

11.2 Default By Tenant

Payments under the Lease and for the Salama settlement are both due on the first day of each month. CDU will be allowed a 30 calendar day grace period before any such payment is considered delinquent. Should CDU fail to make a timely payment within the 30 day grace period, the payment(s) shall be deemed delinquent and a 30 day cure period shall immediately commence. CDU shall cure such delinquency by making the payment(s) within this 30 day cure period. During the cure period, CDU shall continue to make all other payments required under the Lease or Salama schedule. If CDU continues to pay all other amounts due and cures the delinquent payment(s) within the 30 day cure period, no default shall be charged against CDU.

In the event CDU fails to cure such delinquent payment(s) within the 30 day cure period, CDU will be deemed in default and the County will have the option to terminate CDU's Lease of the parking lot and modular space, and to retake possession of all Premises and Other Uses, among any other options available to County pursuant to the terms of the Settlement Agreement. Upon written notice by County under this provision,

Drew will vacate all County property within 60 calendar days. Any and all delinquent payments and all Lease payments up to the point of termination shall remain due and owing to County, with payment to the County of a 5% interest per annum applicable to any delinquent amount, which shall survive termination of the Lease. The remaining balance of the Salama Settlement shall become due and owing, which shall survive the termination of the Lease.

The Parties understand and agree that the Tenant has a separate and additional monthly payment due to Landlord as set forth in the Settlement Agreement ("Salama Payments"). For the purpose of the above provisions, the parties agree that lease payments and Salama Payments shall be treated separately: e.g., County may invoke its termination rights should CDU fail to pay either payment within the applicable cure period.

In addition to the foregoing, Tenant's failure to perform any of the other covenants or agreements herein shall place Tenant in default under this Lease; provided, however, that Tenant shall not be in default under this Lease and County may not terminate the Lease if: (1) Tenant cures the default within the thirty (30) days after notice is given, or (2) the default cannot reasonably be cured within the thirty (30) days after notice is given, but Tenant reasonably commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default to completion.

ARTICLE 12

ASSIGNMENT AND SUBLETTING

12.1 Assignment and Subletting

The use of the Premises is restricted as provided for in Article 5, Section 5.1. Accordingly, Tenant shall not assign, sublease, or otherwise transfer its interest in this Lease (or any portion thereof) without the prior written approval of the County's Chief Executive Office, which shall not be unreasonably withheld, upon receipt of a written request from Tenant. Any assignment, sublease, or other transfer of any interest in this Lease without the County's written consent shall be void and shall constitute a material breach, which shall entitle County to terminate this Lease.

ARTICLE 13
(Intentionally omitted)

ARTICLE 14

NOTICES

14.1 Notices

All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States registered or certified mail, postage prepaid, return receipt requested. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 14.2, below. Either party may from time to time designate another person or place for receipt of notice by writing to the other party delivered in conformity with this Section. Notices with respect to the Settlement Agreement shall be made in accordance with Paragraph 27 thereof.

14.2 Notices-Where to Send

All notices given under this Lease shall be addressed and/or delivered to the respective parties as follows:

County: County of Los Angeles Chief Executive Office Real Estate Division 222 South Hill Street , 3rd Floor Los Angeles, California 90012 Attn: William Dawson Acting Director of Real Estate	Tenant:
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ARTICLE 15

INSURANCE AND INDEMNIFICATION

15.1 Insurance

15.1.1 Without limiting Tenant's indemnification of County and during the Term of this Lease, Tenant shall provide and maintain the following insurance. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Tenant's own expense.

a) General Liability Insurance (written on ISO policy form CG00 01 or its equivalent) and endorsed to name the County as an additional insured, with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Fire Legal Liability:	\$ 100,000
Each Occurrence:	\$1 million

b) Workers' Compensation and Employers' Liability Insurance providing workers compensation benefits, as required by the Labor code of the State of California and for which Tenant is responsible and including Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease – policy limit:	\$1 million
Disease – each employee:	\$1 million

c) Auto Liability Insurance (written on ISO policy form CG 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident, and providing coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto", used in Tenant's business operations.

15.1.2 Evidence of Insurance. Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to the Chief Executive Office, Real Estate Division, prior to the commencement date. Such certificates or other evidence shall: (a) specifically identify this Lease, (b) clearly evidence all coverages required in the Lease, c) contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance, and (d) identify any deductibles or self-insured retentions exceeding \$50,000 for County's reasonable approval.

15.1.3 Insurer Financial Ratings. Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

15.1.4 Failure to Maintain Coverage. Failure by Tenant to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of this Lease.

15.1.5 Notification of Incidents, Claims or Suits. Tenant shall timely report to County any accident or incident relating to activities performed under this Lease which involves injury or property damage which might reasonably be thought to result in the filing of a claim or lawsuit against Tenant and/or County.

15.1.6 Intentionally left blank

15.1.7 Waiver of Subrogation. Without affecting any other rights or remedies, Tenant and County each hereby release and relieve the other, and waive their entire right to recover damages (whether in contract or in tort) against the other, for loss or damage to their property arising out of or incident to the perils required to be insured against under Paragraph 15. The effect of such releases and waivers of the right to recover damages shall not be limited by the amount of insurance carried or required, a party electing to self-insure or by any deductibles applicable thereto. County and Tenant agree to have their respective insurance companies issuing property damage insurance waive any right to subrogation that such companies may have against County or Tenant, as the case may be, so long as the insurance is not invalidated thereby.

15.1.8 Failure on the part of Tenant to procure or maintain required insurance shall constitute a material breach of this Lease upon which County may terminate this Lease after notice and opportunity to cure or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by County shall be repaid by Tenant to County upon demand.

15.1.9 Use of the Premises shall not commence until Tenant has complied with the aforementioned insurance requirements, and shall be suspended during any period that Tenant fails to maintain said policies in full force and effect.

15.2 Indemnification

15.2.1 County agrees to indemnify, defend, and hold harmless Tenant and its directors, officers, employees, and agents from and against any and all liability and expense (including defense costs and legal fees) arising from or connected with claims and lawsuits which result from bodily injury, death, personal injury, or property damages (including damage to County's property) to the extent arising from County's negligence, willful misconduct or breach of this Lease in connection with County's use, maintenance or ownership of the Premises.

15.2.2 Tenant agrees to indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability and expense, including defense costs and legal fees, arising from or connected with claims and lawsuits which result from bodily injury, death, personal injury, or property damage (including damage to Tenant's property) arising or relating to Tenant's use and occupancy of the Premises.

ARTICLE 16

TAXES

16.1 Real Property Taxes

The interest (as defined in California Revenue and Taxation Code Section 107) in the Premises created by this Lease may be subject to property taxation if created. The party in whom the property interest is vested may be subject to the payment of the property taxes levied on the interest. Tenant shall pay before delinquency all lawful taxes, assessments, fees or charges which at any time may be levied by the Federal, State, County, City, or any other tax or assessment-levying body upon the Premises and any improvements located thereon. If Tenant fails to pay any lawful taxes or assessments upon the Premises which Tenant is obligated to pay, Tenant will be in default of the Lease. County reserves the right to pay any such tax, assessment, fee or charge, and all monies so paid by County shall be repaid by Tenant to County upon demand.

ARTICLE 17

BINDING ON SUCCESSORS

17.1 Binding on Successors

Each and all of the conditions and agreements herein contained shall be binding upon and shall inure to the benefit of the successors-in-interest of the County, and wherever the context permits or requires, the successors-in-interest to the Tenant.

ARTICLE 18

PARKING SPACES

18.1 Parking Spaces

Subject to parking facility rules and regulations as established by County or any parking facility licensee/operator from time to time, Tenant, its employees and visitors shall be entitled to use, on a non-exclusive basis, the parking spaces in the adjacent parking area, Premises B on a first come first served basis.

ARTICLE 19

HAZARDOUS MATERIALS

19.1 Definition

For purposes of the Lease, the phrase "Hazardous Substances" shall be deemed to include hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316, as amended from time to time, or the same or related defined phrase in any successor or companion statutes, and crude oil or byproducts of crude oil, other than crude oil which exists on the Premises as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

19.2 Tenant's Warranties and Representations

Tenant hereby covenants that it shall comply with all Federal, State and local laws and regulations concerning Tenant's use, release, storage and disposal of Hazardous Substances on the Premises.

19.3 Notification

County and Tenant agree to immediately notify each other when either party learns that Hazardous Substances have been released on the Premises.

19.4 Indemnification

County agrees to indemnify, defend and save Tenant, its agents, officers and employees from and against all liability, expenses (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of Hazardous Substances on the Premises or in the Building and have not been caused by Tenant, or Tenant's officers, employees, agents, licensees or contractors.

Tenant agrees to indemnify, defend and hold harmless County from and against all liability, expenses (including defense costs, legal fees and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of Hazardous Substances on the Premises or in the Building caused by Tenant, or Tenant's officers, employees, agents, licensees, or contractors.

The Indemnity provided each party by this Section shall survive the termination of this Lease.

19.5 Default/Remediation

The presence or release of Hazardous Substances on the Premises, the Building, and/or subject property, which is not caused by Tenant, or Tenant's officers, employees, agents licensees, contractors, or invitees, and which threatens the health and safety of Tenant's agents, officers, employees or invitees, as determined by either County or Tenant, shall entitle Tenant to immediately terminate this Lease. Without limiting the foregoing, if the presence of any Hazardous Substance at the Building caused or permitted by either party results in any contamination of the property, such party shall promptly take all actions at its sole expense as are necessary to comply with all applicable law.

19.6 Operating Costs

Costs incurred by County as a result of the presence or release of Hazardous Substances on the Premises and/or the Building which is not caused by Tenant, or Tenant's officers, employees, agents, licensees, contractors, or invitees, are extraordinary costs not considered normal operating expenses and shall not be passed through to Tenant as part of its obligation, if any, to pay operating expenses.

19.7 Asbestos Notification

County agrees to notify Tenant as least annually of County's actual knowledge of the presence of asbestos-containing materials on or within the Premises. Tenant and County agree to notify their own employees of the presence of asbestos-containing materials on or within the Premises. Such notification shall comply with Health and Safety Code Section 25915, et seq., as amended from time to time or as required by any successor or companion statute enacted subsequent to this Lease.

ARTICLE 20

WARRANTY OF AUTHORITY

20.1 Warranty of Authority

Each of the parties hereto covenants, warrants and guarantees that the individuals executing this Lease and the instruments referenced herein, have the legal power, right and actual authority to execute this Lease upon the provisions and conditions stated herein and each agrees to indemnify and hold harmless the other from all damages, costs, and expenses which result from a breach of this material representation.

ARTICLE 22

COMPLIANCE WITH LAW/TENANT IMPROVEMENTS

22.1 Tenant Improvements

Except as otherwise set forth in this Lease, County is providing the Premises to Tenant in an "as is" condition. Subject to County's approval, Tenant may install or construct any tenant improvements at its own and sole expense as may be necessary to fit said Premises A for the use described in Section 5.1 hereof. Preliminary design documents, construction drawings, and specifications for any proposed interior tenant improvements shall be prepared by a licensed California architect at the sole expense of the Tenant. Prior to the construction or installation of any improvements, Tenant shall submit all preliminary and final design documents, construction drawings, and specifications for review and approval by the City of Los Angeles.

The Premises A shall meet all applicable Federal, State, and local building codes, regulations, and ordinances required for beneficial occupancy. At Tenant's sole cost and expense, Tenant shall obtain all necessary permits and jurisdictional approvals for any work, construction, and occupancy from DPW and any other entity having jurisdiction.

22.2 Removal of Tenant Improvements and the Buildings

All improvements of every kind and nature whatsoever installed by Tenant in its areas of the Premises with written consent and approval of County shall remain the property of Tenant during the term of this Lease. Upon expiration or termination of this Lease, all permanent improvements (excluding Tenant's fixtures and trade fixtures) shall remain on the Premises and shall revert to County ownership. With respect to the Buildings on Premises A (see Paragraph 2.1, above), upon expiration or termination of the Lease, Tenant shall be afforded a reasonable opportunity, not to exceed 60 calendar days, to remove such Buildings from County property, after which, if said Buildings are not removed, they shall revert to County at no cost to County and may be used or disposed of as County deems appropriate.

22.3 ADA Requirements

All tenant improvements shall comply with the Americans With Disabilities Act ("ADA").

22.4 Signs and Name of the Facility

Tenant shall be allowed to place and maintain signs inside and outside the Premises A, the Building at appropriate locations in order to identify the facility and direct persons in need of the police service center. Tenant shall provide written notification to the County concerning the size, design, precise location, and means of attachment of outside and external signs which shall be subject to the consent of

County or its designee, which consent shall not be unreasonably withheld. County shall provide its written approval or disapproval within thirty (30) days of the receipt of a written request from Tenant. Failure to timely provide said written approval or disapproval by the County will be deemed approval.

ARTICLE 23

GENERAL PROVISIONS

23.1 Meet and Confer Process

In the event of any dispute regarding the provisions or conditions hereof, or the rights or obligations of the parties hereto, the Parties agree that time is of the essence, that the Meet and Confer Process set forth in Paragraph 10 the Settlement Agreement shall apply, and that they will engage in good faith efforts in order to resolve such dispute(s).

23.2 Captions and Titles

The captions and titles in this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

23.3 Choice of Law

This Lease is made and entered into, and shall be governed by the laws of the State of California, exclusive of conflict of law provisions.

23.4 Construction

Any construction work paid for directly or by reimbursement with public funds pertaining to this Lease by the Tenant or its designated contractors or subcontractors shall comply with all applicable Federal, State, and local regulations, codes and ordinances, including but not limited to all provisions of the Labor Code of the State of California. Under the provisions of said Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of worker or mechanic needed for construction of the improvements, if any, which are paid for by public funds. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, are filed with the Clerk of the Board of Supervisors. In the event construction work by Tenant under this Lease is paid for by public funds, Tenant shall post said scale at the subject site. The provisions of this Section 23.4 shall only be applicable to the extent Tenant receives public funds for construction work and is required by law to comply with State prevailing wage laws.

23.5 Cumulative Remedies

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

23.6 Force Majeure

In the event that either party is delayed or hindered from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations, riots, insurrection, war or other reasons of a like nature beyond the control of such party, then performance of such acts shall be excused for the period for the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

23.7 Interpretation

The language of this Lease shall be construed according to its fair meaning and not strictly for or against County or Tenant. Unless the context of this Lease clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine, and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

23.8 Quiet Possession.

As long as Tenant is in compliance with the terms and conditions of this Lease, Tenant shall have and enjoy quiet possession of the Premises A for the entire Term hereof.

23.9 Severability.

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

23.10 Waiver,

Any waiver by either party of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of either party to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this Lease or estopping either party from enforcing the full provisions hereof. No option, right, power, remedy, or privilege of either party shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options and remedies given either party by this Lease shall be cumulative.

23.11 Licenses And Compliance With Applicable Law.

Tenant shall obtain and maintain in effect during the term of this Lease, all licenses, permits, and certificates required by law which are applicable, and Tenant shall further ensure that all its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the Term of this Lease and any holdover period, all licenses, permits, and certificates required by law which are applicable to its performance hereunder.

Tenant shall further comply with all federal, State, and local laws, ordinances, regulations, and directives applicable to its performance hereunder.

23.12 Endorsement.

Tenant shall not, in any manner, advertise, publish or represent that County endorses the services herein mentioned without the prior written consent of County.

23.13 County Lobbyists.

Tenant and each County lobbyist or County lobbying firm (as those terms are defined in Los Angeles County Code Section 2.160.010) retained by Tenant, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160 to the extent applicable. Failure on the part of Tenant or any County lobbyist or a County lobbying firm retained by Tenant to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Lease upon which County may immediately terminate or suspend this Lease.

23.14 Title.

Tenant hereby acknowledges the title of County in and to the Premises, and covenants and agrees never to assail, contest, or resist said title. County represents and warrants that it is the fee simple owner of said Premises, and that it has full right, power and authority to make, execute and deliver this Lease.

23.15 Administration Of County Space.

County does not grant or delegate to Tenant hereunder any of its governmental powers (statutory, implied, administrative, or otherwise) with respect to the Premises.

23.16 Intentionally left blank.

3.17 Solicitation of Consideration.

It is improper for any County Officer, employee or agent to solicit consideration, in any form, from a lessee with the implication, suggestion or statement that the lessee's provision of consideration may secure more favorable treatment for the lessee in the award of the lease or that the lessee's failure to provide such consideration may negatively affect the County's consideration of the lessee's submission. A lessee shall not offer to or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to award of a lease.

Tenant shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in termination of this Lease.

23.18 Conflict of Interest.

No County employee whose position in County service enables him/her to influence obtaining or awarding any lease, license or permit, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Tenant herein, or have any other direct or indirect financial interest resulting from this Lease.

23.19 Entire Agreement.

Except with respect to the Settlement Agreement, and the terms contained therein, this Lease contains the entire agreement between the parties hereto with respect to the subject matter hereof, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both County and Tenant.

/ / / / SIGNATURE PAGE FOLLOWS / / / /

IN WITNESS WHEREOF, Tenant has executed this Lease or caused it to be duly executed and County of Los Angeles, by order of its Board of Supervisors, has caused this Lease to be executed on its behalf by the Chair of said Board and attested by the Clerk the day, month and year first written above.

COUNTY OF LOS ANGELES

WILLIAM T FUJIOKA
Chief Executive Officer

By William Dawson
William Dawson

CHARLES R. DREW UNIVERSITY OF
MEDICINE AND SCIENCE
"TENANT"

By McArdine

By _____

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By Dean C. Logan
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By Richard K. Mason 9-2-89
Deputy
RICHARD K. MASON
ASSISTANT COUNTY COUNSEL

EXHIBIT "A"

6149-014-021

149-010-914

6149-019-801

101-01036

149-019-033

64-9-019-91

1651 120th Street
1653 120th Street

549-021-040

6748019-017

Parking Lot
Approximately 206 Spaces

APN 6149-028-908

Unincorporated

6149-028-912

6149-010-0000

206-838-6720

1

~~SUB-DISTRICT~~

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COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE

EXHIBIT "A"

Agent